



Mail Handlers Local Union No. 323

1602 Selby Ave., Suite 5 St. Paul, MN 55104
(651) 646-2827 Fax (651) 646-0991 LocalOffice@local323.org

Minutes of the Local Union 323 Executive Board Meeting ST. PAUL, MN June 21, 2018

Jeff Larsen

Local President

Kathy Schultz

Vice President

Dean Abatte

Recording Secretary

John Frey

Treasurer

State Executive

Board Members

Shane Ryden

Minnesota

Brock Engstrom

North Dakota

Branch Presidents

Dean Abatte

Minneapolis

Gerald LaBarre

St. Paul

Mike Straiton

NDC

Gary Tollefsrud

Fargo

IN ATTENDANCE:

Local President: Jeff Larsen

Vice President: Kathleen Schultz

Recording Secretary: Dean Abatte

Treasurer: John Frey

MN State Representative: (absent)

ND State Representative: Brock Engstrom

Local President Jeff Larsen called the Executive Board to order at 11:00 a.m.

Review of the March 24, 2018 minutes.

A motion was made to accept the minutes by NDSR Engstrom and 2nd by Vice President Schultz. Motion carried.

Local President Jeff Larsen reports: (see attached for full report).

Local issues:

- Local Union Administration
- Arbitration activity
- SAMLU
- FEFA
- American Income
- Matthew Lopez (Scholarship)
- Government Issues
- Potential UPS strike

Branch Activities:

- Fargo Branch
- St. Paul
- NDC
- St. Cloud Visit
- Labor – Management Meetings

Local President Jeff Larsen submitted for review his Expense Report and Time Sheet. NDSR Engstrom moves to authorize the Local Presidents expenses for the time frame reported. Recording Secretary Abatte seconded, motion carried unanimously.

Review of the Local Presidents leave hours.

Retirement letters: Disseminated and reviewed.

Treasurer's report:

Local Treasurer John Frey submitted the Local's Balance Sheet and Profit and Loss Statements. Vice President Schultz motioned to authorize the expenses of the Local Union for the time frame enumerated. The motion was seconded by Recording Secretary Abatte, motion carried.

President Larsen opened the floor for general discussion, comments, and questions.

Vice President Schultz motions to adjourn the Local Executive Meeting.

The motion was seconded by NDSR Engstrom. Meeting adjourned at 12:49 pm.

Respectfully Submitted,

Dean Abatte
Recording Secretary Local 323
National Postal Mail Handlers Union

cc: **Local Union Council**
Branch Leaders
File



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June 21, 2018

Local President's Report Local Executive Board

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Local 323 Complement:

The Local 323 career complement as of Pay Period 11-18 is 622 (545 MN & 77 ND) and the MHA complement is 114 (102 MN & 12 ND). Combined Membership is 668.

Local Issues:

- **Local Union Administration**

Since the last meeting of the Local Executive Board Local Treasurer John Frey and I have completed all required filings. All tax filings with the States and Federal government as well as the LM-2 with the Department of Labor are in the books for 2017. Copies of all filings were provided to Board Members for their questions and/or comments prior to submission.

A new computer has been purchased and installed for use by the Local Treasurer. The software and subscriptions necessary for operations have been upgraded.

- **Staffing Impacts, Conversions, and Related Contract Administration**

The Local Union was notified in early April of the cancellation of the remaining Article 12 events in the Northland District. These notifications specified that "The decision to cancel this event was made by the Northland District after further consideration." While the National Agreement identifies the Area Vice President as the responsible official in this regard, these notices nevertheless resulted in management rescinding all of the "Excessing Outside of Craft and/or Installation" letters which had been issued.



The cancellation of these events has facilitated the process of cleaning up some grievances that had been filed and opened the door for continuing to pursue MHA conversions. Getting management back on track with implementing this process has been slow going; although, we have seen a few MHA conversions recently. Pursuing the conversion of MHA will, as always, be an ongoing process.

In addition, the cancellation of the NDC event is allowing us to focus on implementing retreat rights for those Mail Handlers who were subjected to sectional excessing. This will also be an ongoing process.

- **Arbitration Activity**

Regular Regional Arbitration had been scheduled in May for the St. Paul Branch. This hearing date concerned grievances protesting the emergency placement and removal of a long term St. Paul Mail Handler. The grievances at issue were settled prior to hearing and resulted in the return of the Grievant to duty with significant back pay.

Another day of Regular Regional Arbitration had been scheduled for the Minneapolis Branch in July. That date also concerned grievances protesting an emergency placement and removal. In these cases the Grievant was an MHA. These matters were resolved by Branch President Dean Abatte and resulted in the return of the Grievant to duty.

- **Semi-Annual Meeting of the Local Unions (SAMLU)**

From April 9th through the 11th I was in attendance at the SAMLU which was held in Las Vegas, NV. The agenda for this meeting followed the usual format. This included reports from the National Officers, the Litigation Report, the Legislative and Political Report, the Contract Administration Report, an update on the Mail Handlers Benefit Plan, and a report from the Article 12 Task Force. A new item on the agenda involved a report from Central Regional Vice President June Harris concerning the recently established NPMHU Women's Committee.

On the final day of this meeting I attended a training session regarding Article 12.

- **Federal Employees First Alliance (FEFA) Retirement Seminar**

Local 323 recently sponsored two days of FEFA retirement seminars for our Members in North Dakota. These seminars were held the week of June 10th in Fargo and initial reports seem to indicate that the information was well received. These events, along with the seminars previously held in Minnesota, have served to provide the attendees with valuable information concerning their retirement benefits. The scheduling of future retirement seminars will be a topic of further discussion.

- **American Income Life Insurance**

Local 323 continues to work with American Income Life to provide a no cost accidental death and dismemberment benefit to our Regular Membership. We have been working with this Union insurance company for more than 18 years. What originally began as a \$1,000.00 benefit has increased over the years to the current amount of \$3,500.00.

A mailing was recently sent to the Regular Membership to ensure that everyone is aware of this no cost benefit. American Income Life will contact everyone who completes a beneficiary card to deliver a certificate of coverage. If any Member feels that they have been contacted without their consent, they should contact me at the Local Office.

- **Matt Lopez – Local 323 Scholarship Program**

On behalf of the Local Union Council I announced the opportunity to apply for the Matt Lopez – Local 323 Scholarship Program. This program was established in 1996 and renamed in honor of Matt Lopez in 2017. Matt served the Local Union and the Minneapolis Branch for more than 25 years prior to his untimely passing in July of 2017. He was our Steward, our coworker, our friend, and he will forever be our Brother.

The 2018 program provides for a 4 year \$800.00 annual Scholarship beginning in September of this year. Applications will be accepted from June 1st through June 29th.

- **Governmental Issues**

There have been several items initiated by the Trump administration which warrant our attention.

On April 12th President Trump issued an executive order to form a task force charged with evaluating the finances of the U.S. Postal Service including pricing, policies and workforce costs.

The task force has been instructed to regularly consult with the Postmaster General and chair of the Postal Regulatory Commission, and will be comprised of department and agency heads or their designees, including chair of the task force Steven Mnuchin (Secretary of the Treasury), Mick Mulvaney (Director of the Office of Management and Budget), Jeff Pon (Director of the Office of Personnel Management) and any other department and agency head the chair may designate.

In a report due no later than August 10, 2018, the task force will provide a “thorough evaluation of the operations and finance of the USPS, including:

- The expansion and pricing of the package delivery market and the USPS's role in competitive markets;
- The decline in mail volume and its implications for USPS self-financing and the USPS monopoly over letter delivery and mailboxes;
- The definition of the "universal service obligation" in light of changes in technology, e-commerce, marketing practices, and customer needs;
- The USPS role in the U.S. economy and in rural areas, communities, and small towns; and
- The state of the USPS business model, workforce, operations, costs, and pricing.”

Once the evaluation is completed, the task force will develop recommendations on administrative and legislative reforms to USPS. According to the executive order, recommendations will consider the views of the USPS workforce and industry.

As noted in publications and on the NPMHU web site, National President Paul Hogrogian and National Secretary-Treasurer Tim Dwyer met with representatives of the Task Force on May 15th. Hogrogian and Dwyer led a conversation, starting with a description of Mail Handlers, their work, and their contribution to the Postal Service. Because the NPMHU was the first outside stakeholder invited to meet with the Task Force, the Union also provided a short overview of USPS finances and its network operations since enactment of the PAEA in 2006, through the Great Recession of 2008, and in relation to the recent electronic diversion of mail volume. There also were discussions relating to ongoing legislative efforts at postal reform, the need to reject additional enforcement of pre-funding for retiree health or pension costs, the use of USPS assumptions in calculating unfunded liabilities, and the intrinsic value attributable to the existing USPS monopolies, the network infrastructure maintained by the Postal Service, and the need for continuing universal service.

In a May 5th letter to House Speaker Paul Ryan (R-Wis.), Office of Personnel Management Director Jeff T.H. Pon pushed four proposals that, over 10 years, would significantly cut retirement benefits for 2.6 million federal retirees and survivors. Saying he wants “to bring Federal benefits more in line with the private sector,” Pon proposed:

- Eliminating supplements for Federal Employees Retirement System (FERS) annuitants who retire before being eligible for Social Security benefits.
- Reducing federal pensions by basing them on workers’ basic pay five-year averages instead of three years.
- Increasing employee retirement contributions with no increase in benefits. The plan would sharply boost the 0.8 percent of basic pay most FERS employees contribute. The letter makes the impact on federal retirees clear. “Under this proposal, FERS employee deduction rates will increase by 1 percent per year until they reach 7.25

percent of basic pay. This proposal would require FERS employees to fund a greater portion of their retirement benefit.”

- Reducing or eliminating retirement cost-of-living adjustments. The administration plans “to reduce the cost-of-living adjustments (COLAs) under the Civil Service Retirement System (CSRS) by one half of one percent and to eliminate COLAs under the Federal Employees’ Retirement System (FERS) for current and future retirees.”

On May 25th, President Trump issued three executive orders designed to strip federal employee Unions of long-established rights to workplace representation and to undermine their ability to negotiate collective bargaining agreements with their agencies. While an analysis has concluded that these orders do not apply to the Postal Service or its Unions, a conclusion that was confirmed in writing by officials of the Office of Personnel Management, this could possibly foreshadow an attempt to impose similar restrictions on the Postal Service and its Unions.

Lastly, there is a decision pending at the US Supreme Court which has the potential to broadly impact the labor movement. *Janus v. AFSCME* concerns the right of labor unions to collect fees from non-union members for the service of collective bargaining. Under the Taft-Hartley Act of 1947, union security agreements can be allowed by state law. *Janus v. AFSCME* is a current case that challenges their legality.

Illinois Republican Governor Bruce Rauner filed suit, claiming that fair-share agreements are unconstitutional and a violation of the First Amendment right to free speech. Rauner was later dropped from the case, but Hugh Janus, an Illinois social worker covered by a collective bargaining agreement, also claimed that he should not need to pay fees to the American Federation of State, County and Municipal Employees because he is not a member of the Union. Under Illinois law, AFSCME and other unions are allowed to charge workers minimum fees for the service of collective bargaining. As unions have a duty of fair representation to all workers in a bargaining unit, this has been allowed under the National Labor Relations Act of 1935, and was confirmed in 1977 by the US Supreme Court in *Abood v. Detroit Board of Education*. Janus and others argue that, following *Harris v. Quinn* (2014), fair-share agreements violate their right to free speech because a Union can use money to contribute to political campaigns in which they may not believe.

While the applicability to our circumstances may not be initially apparent, there is a concern that a victory in *Janus* may result in well-funded right to work organizations contacting Union members, urge them to cancel their Union membership, and provide them with the specific information they need to accomplish their cancellation. There is also a concern that these efforts will spill over into the private sector and may result in all Union members not covered by Union security agreements being targeted.

- **Potential UPS Strike**

The contract between the International Brotherhood of Teamsters and UPS expires at the end of July. Teamster members voted to give their negotiators the right to call for a strike if the two sides are not able to come to an agreement. The UPS strike of 1997 lasted 16 days and I'm sure many Mail Handlers remember the chaos that ensued at the Postal Service. Considering that the Postal Service has some 300,000 less employees and significantly fewer installations than in 1997, a strike at UPS could produce some extreme situations.

Branch Activities:

- **Fargo Branch Meeting**

On April 21st I was in the great State of North Dakota for a meeting of the Fargo Branch. Several topics were on the agenda. Some of the discussions concerned, the COLA increase, PIT pay change, primetime vacation, job postings, powerlift training, SV scanning, and driver assist. While the turnout was rather light for the Fargo Branch, there were informative discussions on these issues as well as other items raised by the attendees.

- **St. Paul Branch Meeting**

On May 12th I attended a meeting of the St. Paul Branch in Eagan, MN. While the attendees consisted primarily of Representatives, the Members in attendance brought several items for discussion.

- **NDC Branch Meeting**

On May 19th I was in attendance at a meeting of the NDC Branch which was also held in Eagan, MN. The attendance was sparse; and again, the attendees consisted primarily of Representatives. There was one senior Member, however, that provided significant input into the discussions.

- **St. Cloud Facility Visit**

On May 29th MN State Executive Board Member Shane Ryden and I visited the Waite Park facility to observe operations on tour 3. The reason for this visit was to prepare for an upcoming jurisdictional arbitration this August. Steward Justin Bistodeau provided us with an overview of the operations at issue. In addition, we held an impromptu Labor – Management meeting with the Plant Manager and discussed several issues pertaining to that facility.

- **Labor – Management Meetings**

Since the last meeting of the Local Executive Board I've been in attendance in several Labor – Management meetings at the St. Paul P&DC. I will continue my attendance at these meetings as time permits.

- **Additional Branch Activities**

As usual, I'm continuously working with the Representatives of all Branches concerning a wide range of issues. I've recently been out on the work floor quite frequently on tour 2 in all of the metro facilities. In addition, I was recently on tour 1 at the St. Paul P&DC with Branch President LaBarre observing operations.

Upcoming Events:

NPMHU Committee on the Future – July 24th – 26th
Jurisdictional Arbitration St. Cloud Branch – August 9th

Fraternally,

Jeff Larsen
Local President

cc: All Branches
File